

## Sustainable development has taken its place as a corporate issue.

It is important for Holcim to pursue the goal of sustainable development. We want to grow our business while encouraging economic growth for growing populations. We must manage environmental resources responsibly to help assure that future generations can meet their own resource needs. And we, as individuals and as a corporation, believe that we can play our part in meeting the needs of the world's people. These are the three pillars of sustainable development (SD) – economic, environmental, and social – to which Holcim commits itself.

However, there are more immediate reasons why we promote and live by the SD concept. Over the past few years, we have been building Holcim as a global brand in a global environment.

The Holcim brand not only helps us to differentiate ourselves in an increasingly competitive marketplace, it also entails a strong obligation to maintain and protect the reputation of the brand. A commitment to SD, embedded in the organization by corporate policies and effective management systems, supported by a transparent communications and stakeholder engagement approach, and understood and lived by our employees in their daily work, is essential to build this brand.

Thus we want our brand to be associated with fair business practices, a good environmental record, and respectful relations with employees and neighbors.

### Sustainable development – what are our issues?

How do we move from being a group of companies, each with local knowledge, approaches, and solutions, to being a Group, with the sort of centralized control needed to manage an SD agenda and a global brand?

How then does this Group decrease CO<sub>2</sub> and other emissions, decrease impacts on biodiversity, and generally shrink our ecological footprint while at the same time meeting the increasing demand for cement and our other products by a rapidly growing population?

And how can we assure a more efficient and sustainable use of our products if they are a component of a larger entity – a building or infrastructure? The establishment of the Holcim Foundation for Sustainable Construction is an important step in that direction. The Foundation will support and promote sustainable building initiatives that will influence people and cultures worldwide, expressing both a commitment to quality of life and architectural excellence.

We strive in this report, and in our day-to-day management efforts, to answer these questions.

### Our priorities and performance

Holcim's first Corporate Sustainable Development Report outlined our priority topics at that time with respect to SD: energy and climate, occupational health and safety (OH&S), and community involvement. These priorities remain.

Economic growth and healthy financial returns are the decisive factors that enable companies to contribute to building societies that will provide a more sustainable future.

With regard to energy and climate, we are on track to reach our CO<sub>2</sub> emissions reduction target. However, we are far from where we want to be in OH&S. To address this challenge, we have designated OH&S as the principal focus for corporate social responsibility.

As our SD agenda has developed we have added several new issues. These include better corporate governance, the willingness to engage with a variety of stakeholders, and a better understanding of the range of possibilities for a new dynamic toward sustainability in the construction industry.

Accordingly, we have refined our strategies and policies, and improved our internal structures and global networks. In 2003, we strengthened our governance structure and clarified our strategic decision-making process by establishing an SD Steering Committee.

### External engagements and partnerships

In 2003, Holcim was included in the Dow Jones Sustainability Indexes for the building materials industry. This external benchmark helps us in our ongoing efforts to define and address key sustainability challenges. We are also proud that many of our operations have received awards for their SD initiatives.

Our active involvement in the World Business Council for Sustainable Development's Cement Sustainability Initiative, our participation in the UN Global Compact, and our first stakeholder dialogue at corporate level provide us with opportunities to listen and learn from a number of stakeholders and to test our ideas and approaches.

As an example, our partnership with GTZ addresses one of our key priorities: the development of guidelines for the use of waste in the cement-making process.

This report has been prepared in accordance with the 2002 Global Reporting Initiative (GRI) Guidelines. It represents a balanced and reasonable presentation of our organization's economic, environmental, and social performance.

### A passion for SD

This report is based on our experience over the past two years, on challenges faced, on advice from our stakeholders, and upon the energy and commitment of our employees. None of Holcim's projects and initiatives could happen without them. The cases featured in this report provide only a few snapshots among the many initiatives to which our employees are committed. This second corporate sustainability report is dedicated to our 48,000 employees, who bring the concept of SD to life for the benefit of Holcim and society at large.



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